



Purchasing Standard Terms & Conditions

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1. **ACCEPTANCE.** This purchase order is an offer to purchase goods and/or services as set forth. Any of the following acts by Seller shall constitute acceptance of an order: signing and returning a copy of the order; delivery of any of the goods ordered; commencement of performance; or acknowledgment expressly acknowledging the terms set forth on an issued Segue purchase order. Any additional or different term or condition on Seller's acknowledgment form or otherwise communicated by Seller in accepting the order shall be deemed to be a material alteration of the order and is hereby objected to by Segue. Any such term or condition shall be totally inapplicable to the order unless specifically agreed to in a writing signed by an authorized representative of Segue. Acceptance of the goods or services covered by the order will not constitute acceptance by Segue of Seller's terms and conditions to the extent the order is in any way deemed to be an acceptance of a quotation or other offer by Seller. Any such acceptance is expressly conditional upon the consent of the Seller to the terms and conditions of the order.

2. **PRICE AND DELIVERY.** Seller shall furnish the goods covered by the order (the Goods) or the services covered by the order (the Services) in accordance with the prices and delivery schedule stated by the order. If prices and/or delivery dates are not stated, Seller shall offer its lowest prices and best delivery dates, both of which shall be subject to written acceptance by Segue. All prices include all applicable taxes and other government charges, including but not limited to all federal, state, and municipal sales, use or excise taxes, or any customs duties.

Seller warrants that the prices charged for the Goods or Services ordered will be as low as the lowest prices charged by the Seller to any customers purchasing similar goods or services in the same or smaller quantities and under like circumstances.

Segue's On Time Delivery (OTD) window is five (5) days early and zero (0) days late based on purchase order due date. A Certificate of Conformance is required with the delivery.

Segue may return, or store at Seller's expense, any Goods delivered more than ten (10) days in advance of the delivery date specified for such Goods.

3. **PACKING AND SHIPPING.** No charge shall be made by Seller for packaging or storage. All Goods shall be packaged, marked, and otherwise prepared in accordance with good commercial practices to obtain lowest shipping rates. On containers, Seller shall mark handling and loading instructions, shipping information, order number, item and account number, shipment date, and names and addresses of Seller and Segue. An itemized packing list shall accompany each shipment.

4. **F.O.B. TITLE AND RISK OF LOSS.** Unless otherwise specified by the order, the F.O.B. point shall be Segue's location as designated on the face of the order. If transportation is F.O.B. Seller's location, Seller shall bear all risk of loss or damage to the Goods and title shall not shift to Segue until delivery of the Goods to the carrier. If transportation is F.O.B. Segue's location, Seller shall bear all risk of loss or damage to the Goods, and title shall not shift to Segue until delivery of the Goods to Segue's location.

5. **INVOICING.** After each shipment made or Service provided under the order, Seller shall send a separate invoice, including item numbers, in duplicate, accompanied (if applicable) by a bill of lading or express receipt. Payment of invoice shall not constitute acceptance of the Goods or Services and shall be subject to appropriate adjustment for failure of Seller to meet the requirements

of the order. Segue may set off any amount owed by Seller or any of its affiliated companies to Segue against any amount owed by Segue to Seller under the order.

6. **INSPECTION.**

(a) All Goods may be inspected and tested by Segue, its customers, higher tier contractors, and (in the case of Goods purchased for a U.S. Government contract or subcontract) the U.S. Government, at all reasonable times and places. If such inspection or testing is made on Seller's premises, Seller shall provide, without additional charge, all reasonable facilities and assistance for such inspections and tests. In its internal inspection and testing of the Goods, Seller shall, if required by Segue, use an inspection system accepted by Segue in writing. All inspection records relating to the Goods shall be available to Segue during the performance of the order, and for such longer periods specified by Segue in its acceptance of the inspection system, if any.

(b) Final inspection and acceptance by Segue shall be at destination unless otherwise specified in the order. Such inspection shall be in accordance with the customary established inspection procedures of the location of Segue where the Goods are received. If rejection of a shipment would result from Segue's normal inspection level under such procedures, Segue may, at its option, conduct an above normal level of inspection up to 100% inspection and charge the Seller the reasonable costs thereof.

(c) No inspection (including source inspection), tests, approval (including design approval), or acceptance of the Goods shall relieve Seller from responsibility for any defects in the Goods or other failures to meet the requirements of the order, or for latent defects, fraud, such gross mistakes as amount to fraud, or Seller's warranty obligations. If the Goods are defective or otherwise not in conformity with the requirements of the order, Segue may, by written notice to Seller: (i) rescind the order as to such Goods; (ii) accept such Goods at an equitable reduction in price; or (iii) reject such Goods and require the delivery of replacements. If Seller fails to deliver required replacements promptly, Segue may: (i) replace or correct such Goods and charge the Seller the cost thereof (including cover and any incidental costs); or (ii) terminate the order for cause as provided in Section 20(b) hereof. Rights granted to Segue under this Section 6 are in addition to any other rights or remedies provided elsewhere in the order or in law.

7. **PRODUCT OR MANUFACTURING CHANGES.** The Seller agrees that no changes shall be made to the manufacturing processes, Materials or physical location of Customized, fabricated or Segue designed parts. There will be no substitutions without prior written consent of Segue. A formal PCN shall be issued to Segue to communicate reasons for change - Materials, Process, Design, DataSheet, Manufacturing Location, Quality, Logistics and other.

8. **WARRANTIES.** In addition to all other express or implied warranties, Seller warrants that the Goods will be: (i) free from defects in workmanship and materials; (ii) free from defects in design except to the extent that such Goods comply with the detailed designs provided by Segue; (iii) suitable for the purposes, if any, which are stated by the order; and (iv) in conformity with all the other requirements of the order. These warranties and all other warranties, express or implied, shall survive delivery, inspection, acceptance, and payment.

In addition to any other rights Segue may have, if Goods are found not to be as warranted within a period of one (1) year after



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acceptance by Segue, Segue may return such Goods to Seller, at Seller's expense, for correction, replacement, or credit, as Segue may direct. Any Goods corrected or furnished in replacement shall, from the date of delivery of such corrected or replacement Goods, be subject to the provisions of this Section 7 for the same period and to the same extent as Goods initially furnished pursuant to the order.

As to Services, in addition to any express or implied warranties that it possesses the requisite expertise, facilities, and equipment necessary and appropriate to perform the Services, and that such Services shall be performed in a safe and workmanlike manner. In addition to any other rights Segue may have, if the Services are found not to be performed as warranted within a period of one (1) year after the conclusion of the performance of the Services by Seller, Seller shall, at Segue's option, either refund to Segue the amount paid for the Services, or perform the Services again in a proper manner to the extent necessary to provide Segue with the result originally contemplated by Segue.

9. **MATERIALS AND TOOLS.** If Segue furnishes Seller material or equipment (such as special dies, molds, jigs, tools, test equipment, masks, etc.) or pays for such material or equipment, title thereto shall remain or vest in Segue, and Seller shall label, identify, maintain, and preserve such material and equipment and shall dispose of it (including scrap) only in accordance with Segue's direction. Unless otherwise authorized in writing by Segue, Seller shall use such material or equipment exclusively in the performance of purchase orders for Segue. Seller shall be responsible for any loss, damage, or destruction to such material or equipment, but Seller shall not include any insurance cost therefore in the prices charged under the order.

10. **PROPRIETARY INFORMATION.** All written information obtained by Seller from Segue in accordance with the order and which is identified as proprietary by Segue shall be received in confidence, shall remain the property of Segue and shall be used and disclosed by Seller only to the extent necessary for the performance of the order, except that, upon prior written notice to Segue, Seller may use such information in the manufacture of end items for direct sale to the U.S. Government to the extent that the U.S. Government has the right to authorize such use by Seller, and provided that Seller, to the extent practicable prominently identifies such end items as being manufactured by Seller for direct sale to the U.S. Government.

11. **SUBCONTRACTS.** Seller shall not subcontract for complete or substantially complete parts of the work called for by the order without Segue's prior written approval.

12. **COMPLIANCE WITH LAWS.** Seller shall comply with all federal, state, and local laws, ordinances, rules, and regulations in the manufacture and sale of the Goods and performance of the Services, including but not limited to the Occupational Safety and Health Act, the Truth in Negotiation Act, the Resources Conservation and Recovery Act and all applicable requirements of the Fair Labor Standards Act. Seller will defend and hold Segue harmless from any loss, damages, or costs arising from or caused in any way by any actual or alleged violation of any federal, state, or local law, ordinance, rule, or regulation.

Seller shall provide to Segue, at the time of initial shipment or request, a completed Material Safety Data Sheet (OSHA Form 20 or equivalent) for any chemical substances sold hereunder as required by any applicable federal, state or local law, ordinance, rule or regulation. Such sheet shall contain all the information necessary to

comply with the Federal Hazard Communication Standard (29 CFR 1910.1200) and all applicable state regulations.

13. **LIEN WAIVERS.** Seller shall furnish, upon Segue's request, waivers by Seller and all other persons entitled to assert any lien rights in connection with the performance of the order.

14. **PATENT, COPYRIGHTS, AND MASK WORK RIGHTS.** Seller shall defend, at its own expense, any suit or claim that may be instituted against Segue or any customer of Segue for alleged infringement of patents, copyrights, or mask work rights relating to the maintenance, sale, or use of the Goods, except for any such infringement resulting from Seller's compliance with detailed designs provided by Segue, and Seller shall indemnify Segue and its customers for all costs and damages arising out of such alleged infringement.

Segue shall have the right, at no additional charge, to use and/or reproduce the Seller's applicable literature, such as operating and maintenance manuals, technical publications, prints, drawings, training manuals, and other similar supporting documentation and sales literature. Seller shall advise Segue of any updated information relative to the foregoing literature and documentation with timely modifications in writing.

15. **LIABILITY FOR INJURY.** Seller shall indemnify Segue against any and all costs, loss and liability for all personal injury and property damage (including but not limited to response or remedial action costs associated with damage to the environment or to natural resources), caused by the Goods or Services performed by Seller (whether performed on the premises of Seller or Segue or elsewhere), and shall defend at its sole cost and expense any action brought against Segue as a result of any such personal injury or property damage. Seller shall carry and maintain insurance coverage sufficient to cover the above, and, upon Segue's request, shall furnish Segue with satisfactory evidence of such insurance.

16. **ASSIGNMENT.** Seller shall not assign the order or any rights under the order without the prior written consent of Segue, and no purported assignment by Seller shall be binding on Segue without such written consent.

17. **NOTICE OF LABOR DISPUTES.** Whenever an actual or potential labor dispute delays or threatens to delay the timely performance of the order, Seller shall immediately notify Segue in writing of all relevant information with respect to such dispute.

18. **CESSATION OF PRODUCTION.** If production of any Goods, or the provision of any Services, is to be permanently discontinued at any time within one (1) year after final delivery of such Goods or Services under the order, Seller shall give Segue at least one hundred eighty (180) days prior written notice of such discontinuance, during which time Seller shall accept orders from Segue for a reasonable quantity of such Goods or Services.

19. **PUBLICITY.** Seller shall not make or authorize any news release, advertisement, or other disclosure which shall deny or confirm the existence of the order without the prior written consent of Segue, except as may be required to perform the order.

20. **PURCHASE ORDER CHANGES.** Segue may at any time by written change order suspend performance of the order in whole or in part, make changes in the drawings, designs, specifications, method of shipment or packing, or time or place of delivery of the Goods, reschedule the Services, or require additional or diminished



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Services. If any such change causes an increase or decrease in the cost of, or the time required for, performance of the order, an equitable adjustment shall be made in the contract price or delivery dates or both, and the order shall be modified in writing accordingly. Any claim for adjustment under this Section 19 may, at Segue's option, be deemed to be absolutely and unconditionally waived unless asserted in writing (including the amount of the claim) and delivered to Segue within thirty (30) days from the date of receipt by Seller of the change order. If the cost of property made obsolete or excess as a result of a change is paid by Segue, Segue may prescribe the manner of disposition of such property.

Segue's engineering and technical personnel are not authorized to change the Goods or Services ordered or any other provision of the order. No change order will be binding on Segue unless issued by an authorized representative of Segue's purchasing office. Nothing in this Section 19 shall excuse Seller from proceeding with the order as changed.

21. TERMINATION.

(a) **Without Cause.** Segue may terminate, for its convenience, all or any part of the order at any time by written notice to Seller. Upon such termination, settlement shall be made in accordance with the principles contained in Federal Acquisition Regulation (FAR) 52.249-2 as in effect as of the date of the order, except that Seller must submit any claim for equitable adjustment or termination to Segue within forty-five (45) days after the effective date of termination, or such claim shall be absolutely and unconditionally waived.

(b) **With Cause.** If Seller fails to make delivery of the Goods or fails to perform the Services in accordance with the delivery dates specified in the order, or so fails to perform any other provision of the order, or so fails to make progress as to endanger performance of the order in accordance with its terms, and does not cure such failure within ten (10) days after notice from Segue, Segue may (in addition to any other right or remedy provided by the order or by law) terminate all or any part of the order by written notice to Seller without liability and purchase substitute goods elsewhere, and Seller shall be liable to Segue for any excess cost occasioned Segue thereby. Seller shall continue performance of the order to the extent not terminated pursuant to this Section 20(b).

(c) **Force Majeure.** Either Segue or Seller may suspend performance during the occurrence of an excusable delay, which shall mean and include any delay not occasioned by the fault or negligence of the delayed party and which results from the acts of God or public enemy, restrictions, prohibitions, priorities, or allocations imposed by governmental authority, embargoes, floods,

fires, typhoons, earthquakes, epidemics, unusually severe weather, delays of similar nature or governmental causes, and strikes or labor disputes (of or involving the delayed party's employees only). Excusable delays do not include lockout, shortage of labor, lack of or inability to obtain raw materials, fuel or supplies or any other industrial disturbance. Nothing contained in this paragraph shall limit Segue's rights hereunder in any way, except that, in the event of Seller's excusable delay, Seller shall not be liable for Segue's incidental or consequential damages resulting from that delay.

If the order is terminated as provided in this Section 20(b), Segue, in addition to any other rights provided herein, may require the Seller to transfer title and deliver to the Segue (i) any completed Goods, and (ii) such partially completed Goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights as the Seller has specifically produced or specially acquired for the performance of the order.

22. **WAIVER.** The failure of Segue to insist upon the performance of any provision of the order, or to exercise any right or privilege granted to Segue under the order, shall not be construed as waiving such provision or any other provision of the order, and the same shall continue in full force and effect. If any provision of the order is found to be illegal or otherwise unenforceable by any court or other judicial or administrative body, the other provisions of the order shall not be affected thereby, and shall remain in full force and effect.

23. **APPLICABLE LAW.** The validity, performance, and construction of the order shall be governed by the laws of the state shown on Segue's address on the order.

24. **SPECIAL U.S. GOVERNMENT PROVISIONS.** The provisions set forth in the attachment to the order entitled, SPECIAL U.S. GOVERNMENT PROVISIONS shall apply if the order bears a U.S. Government contract number.

25. **DISPUTES.** Any dispute arising under the order which is not disposed of by agreement of the parties shall be decided by a court of competent jurisdiction. Pending settlement of final decision of any such dispute, Seller shall proceed diligently with the performance of the order in accordance with Segue's direction.

26. **COMPLETE AGREEMENT.** The order, and any supplemental sheets and riders annexed hereto by Segue contains the complete and entire agreement between the parties as to the subject matter hereof, and replaces and supersedes any prior or contemporaneous communications, representations, or agreements, whether oral or written, with respect to such subject matter. The order includes Seller's EEO agreement with Segue.